



# BUDGET MEMO # 16

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DATE: April 3, 2013

TO: The Honorable Mayor and Members of the City Council

FROM: David Hodgkins, Assistant City Manager/Director of Finance

THROUGH: Robert Sisson, City Manager *(VS)*

SUBJECT: Regional Comparison of Estimated Annual Local Taxes and Fees Per Average Household

## Background

The attached charts compare the estimated major residential taxes and fees for the Northern Virginia jurisdictions assuming Fiscal Year 2014 proposed rates. The analysis estimates the annual impact of key taxes and fees for each jurisdictions' average household.

Two analyses are presented for consideration. Chart A assumes the assessed value of each locality's single family home is \$427,442 (average value of a single family home in the City of Fairfax). Chart B is identical to Chart A with the exception of the assumed home value, Chart B uses an average single home value as determined by each individual locality.

Chart A ranks the City of Fairfax as the most affordable Northern Virginia locality, in which to live, in terms of local taxes and fees. The results of this analysis are consistent with those provided in the past.

Chart B ranks the City of Fairfax as the second most affordable Northern Virginia locality, in which to live (behind Prince William County), in terms of local taxes and fees. This analysis presents a change from past methodology, but with similar overall results. Prince William County is the only exception due to its relatively low average single home value (\$289,269).

Chart A

**Fiscal Year 2014 Regional Comparison**  
**Estimated Annual Local Taxes and Fees Per Average Household**  
 (Assumes Assessed Single Family Home Value of \$427,442)

	Arlington Co.	Fairfax Co.	City of Fairfax	Alexandria	Falls Church	Prince William Co.	Loudoun Co.
<b>Average Residential Assessment (1)</b>	<b>427,442</b>	<b>427,442</b>	<b>427,442</b>	<b>427,442</b>	<b>427,442</b>	<b>427,442</b>	<b>427,442</b>
<b>Estimated Taxes</b>							
Real Estate (2)	4,287	4,834	4,616	4,501	5,685	5,501	5,258
Personal Property (2)	842	696	635	690	684	537	610
Consumer Utility Tax (3)	74	99	56	60	124	74	67
<b>Sub-Total</b>	<b>5,204</b>	<b>5,629</b>	<b>5,307</b>	<b>5,251</b>	<b>6,493</b>	<b>6,112</b>	<b>5,934</b>
<b>Estimated Fees</b>							
Water/Waste Water (4)	883	678	723	934	815	740	648
Solid-Waste/Recycle (5)	303	355	0	346	0	407	335
Decal Fee (2)	66	66	66	66	66	48	50
<b>Total</b>	<b>6,455</b>	<b>6,729</b>	<b>6,096</b>	<b>6,597</b>	<b>7,374</b>	<b>7,307</b>	<b>6,967</b>
<b>Ranking by Affordability</b>	<b>2nd</b>	<b>4th</b>	<b>1st</b>	<b>3rd</b>	<b>7th</b>	<b>6th</b>	<b>5th</b>

1 Represents the estimated real estate tax bill based on the average single family home value in the City of Fairfax (\$427,442) and each locality's proposed tax rate. Rates include the base real estate tax rate plus jurisdiction wide add-on rates.

2 Estimate based upon (Arlington County's CY 2012 analysis) 2.0 cars per household, and assumes the same average vehicle value of \$8,421.

3 Estimate provided courtesy of Arlington County. The estimated average household utility tax bills are based on the ceiling tax rate and inflation rate of 3%.

4 Assumes average single family residence uses 70,000 gallons of water per year. The estimated annual cost is based on FY 2014 proposed rates. Alexandria's estimated cost is based on Arlington County's CY 2012 analysis, adjusted for inflation (4%).

5 Residents in Falls Church and Fairfax City pay for the solid-waste/recycling fee as part of their real estate taxes. Loudoun & Prince William Counties do not offer this service. Instead, residents pay private haulers, such as BFI, directly. Most Fairfax County residents also pay a private hauler, but County collection is available in designated areas. Prince William residents pay a solid waste fee for refuse disposal. For Loudoun and Prince William County, a \$70 annual solid waste fee is charged to single-family homeowners. Solid-Waste/Recycle information is based on Arlington County's CY 2012 analysis, adjusted for inflation (3%).

Chart B

**Fiscal Year 2014 Regional Comparison  
Estimated Annual Local Taxes and Fees Per Average Household**

	<u>Arlington Co.</u>	<u>Fairfax Co.</u>	<u>City of Fairfax</u>	<u>Alexandria</u>	<u>Falls Church</u>	<u>Prince William Co.</u>	<u>Loudoun Co.</u>
<b>Average Residential Assessment (1)</b>	<b>524,700</b>	<b>465,713</b>	<b>427,442</b>	<b>470,664</b>	<b>574,200</b>	<b>289,269</b>	<b>393,021</b>
<b>Estimated Taxes</b>							
Real Estate (1)	5,263	5,267	4,616	4,956	7,637	3,723	4,834
Personal Property (2)	842	696	695	690	684	537	610
Consumer Utility Tax (3)	74	99	56	60	124	74	67
<b>Sub-Total</b>	<b>6,179</b>	<b>6,062</b>	<b>5,307</b>	<b>5,706</b>	<b>8,444</b>	<b>4,334</b>	<b>5,511</b>
<b>Estimated Fees</b>							
Water/Waste Water (4)	883	678	723	934	815	740	648
Solid-Waste/Recycle (5)	303	355	0	346	0	407	335
Decal Fee (2)	66	66	66	66	66	48	50
<b>Total</b>	<b>7,431</b>	<b>7,161</b>	<b>6,096</b>	<b>7,052</b>	<b>9,325</b>	<b>5,529</b>	<b>6,544</b>
<b>Ranking by Affordability</b>	<b>6th</b>	<b>5th</b>	<b>2nd</b>	<b>4th</b>	<b>7th</b>	<b>1st</b>	<b>3rd</b>

1 Represents the estimated real estate tax bill based on each locality's average single family home value and the proposed tax rate(s). Rates include the base real estate tax rate plus jurisdiction wide add-on rates.

2 Estimate based upon (Arlington County's assumption) 2.0 cars per household, and assumes the same average vehicle value of \$8,421.

3 Estimate provided courtesy of Arlington County. The estimated average household utility tax bills are based on the ceiling tax rate and inflation rate of 3%.

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